

DNR NEWS

Energy and Waste Management Bureau

For Immediate Release

September 18, 2003

DNR Contact: Jennifer Moehlmann (515) 281-8518

IOWA GASOLINE PRICES SLOWLY DECLINE AFTER PRE-LABOR DAY SPIKE

DES MOINES — According to the Iowa DNR's September 15, 2003 fuel price survey, gasoline prices are \$0.04 higher than on August 15, 2003, averaging \$1.59 for a gallon of self-serve, regular unleaded gasoline. However, prices have actually declined about \$0.10 since just before Labor Day. In late August, gasoline prices skyrocketed to the high \$1.60, low \$1.70 range, due to perceived tightness in gasoline supply and expected high demand over the Labor Day holiday. After the holiday, prices began slowly declining, as demand eased.

"Gasoline prices will probably drop back to the \$1.40 range within the next few weeks," said Jennifer Moehlmann, DNR energy analyst. "However, any additional disruptions, such as a hurricane in the Gulf Coast, could send the price higher."

According to the September 15 survey, prices across the state ranged from \$1.46 to \$1.76 per gallon and are \$0.24 higher than this time last year. Retail conventional unleaded gasoline prices in Iowa were \$0.05 less than the national and regional averages of \$1.64 per gallon.

The average price for regular unleaded with ethanol was \$1.57 per gallon. Ethanol-blended gasoline currently represents 60.4 percent of the market share.

Crude oil finished trading on September 15 at \$28.13 per barrel, \$2.95 less than last month. One year ago, crude was \$29.68 per barrel. Crude has trended downward during the past month, as high levels of crude oil imports have continued to refill inventories. National crude oil inventory is at 279.3 million barrels, down 3 percent from the previous year and below the normal range. The DNR expects crude oil prices to remain volatile while U.S. inventories are relatively low, with prices ranging between \$26 to \$30 per barrel.

The average price of self-serve diesel fuel on September 15 was \$1.52, up \$0.01 from last month and \$0.06 higher than the regional average of \$1.46 per gallon. Diesel fuel was \$1.34 per gallon one year ago.

Propane

The September 15 survey found the average retail price of propane was \$0.96 per gallon. This is \$0.01 higher than the previous month and 30 percent above the retail price of propane at this time last year (\$0.74 per gallon). Propane inventories have climbed into the normal range, but supplies are still tight in the Midwest, supporting the higher prices. Traditionally, propane prices begin to rise in late summer, hitting their peak in late winter.

Heating Oil Prices

The September 15 survey found the average retail price of No.2 heating oil was \$1.13 per gallon. This is \$0.02 lower than last month and 8 percent above the price of heating oil at this time last year (\$1.05 per gallon). U.S. inventories are now in the normal range of the five-year average. Traditionally, heating oil prices begin to climb in the fall, hitting their peak in late winter.

Natural Gas

Natural gas closed at \$4.65 on September 15, \$0.29 less than last month and 34 percent higher than one year ago. Natural gas prices traditionally begin to climb in early fall, as heating demand picks up. Consumers are expected to pay 10 to 30 percent more for natural gas this winter. That number could still change as there is time for further inventory builds, which could decrease the amount Iowans will pay, or Gulf Coast hurricanes or cold weather, which could increase the prices.

MOTOR FUELS SURVEY

Self-Serve	August 15	September 15	Change
Regular Unleaded	1.54	1.59	+0.05
Regular Unleaded with Ethanol	1.53	1.57	+0.04
Premium Unleaded	1.65	1.71	+0.06
Diesel	1.51	1.52	+0.01
Full-Serve	August 15	September 15	Change
Regular Unleaded	1.65	1.71	+0.06
Regular Unleaded with Ethanol	1.64	1.71	+0.06
Premium Unleaded	1.75	1.90	+0.15
Diesel	1.54	1.58	+0.04

HEATING FUELS SURVEY

	August 18	September 15	Change
Propane	.95	.96	+0.01
#2 Heating Oil	1.15	1.13	-.02
Natural Gas	4.94	4.65	-.29

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	August 15	September 15	Change
Ames	1.55	1.61	+0.06
Cedar Rapids	1.52	1.52	No Change
Council Bluffs	1.54	1.56	+0.02
Davenport	1.51	1.55	+0.04
Des Moines	1.54	1.61	+0.07
Dubuque	1.55	1.58	+0.03
Fort Dodge	1.59	1.66	+0.07
Iowa City	1.60	1.64	+0.04
Sioux City	1.54	1.52	-0.02
Waterloo	1.53	1.52	-0.01
Webster City	1.62	1.68	+0.06
Average Metro Price	1.54	1.57	+0.03

AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

	August 15	September 15	Change
Northeast	1.54	1.56	+0.02
Northwest	1.56	1.62	+0.06
Southeast	1.53	1.62	+0.09
Southwest	1.54	1.59	+0.05
Rural Area Average	1.54	1.59	+0.05

WHOLESALE PRICES IN METROPOLITAN AREAS AROUND IOWA

Unleaded (cents per gallon)	August 7	September 4
Des Moines	106.63	108.54
Dubuque	107.31	108.68
Diesel Fuel (cents per gallon)	August 7	September 4
Des Moines	93.66	93.07
Dubuque	94.81	94.01